Councilmember introduced the following resolution and moved for its adoption:

RESOLUTION #15-05-119

RESOLUTION ESTABLISHING A FINANCIAL POLICY FOR PURPOSE OF ALLOCATION OF EXCESS/DEFICIENT GENERAL FUND REVENUES

WHEREAS, this is an amendment to the policy adopted February 22, 1994 under Resolution #94-02-045; and

WHEREAS, this policy was further amended by Resolution #04-10-320 adopted October 26, 2004; and

WHEREAS, this policy was further amended by Resolution #10-04-082 adopted April 13, 2010; and

WHEREAS, this policy was further amended by Resolution #11-11-217 adopted November 7, 2011; and

WHEREAS, actual revenues can be over or under actual expenditures at the end of the fiscal year; and

WHEREAS, the State Auditor recommends a fund balance of 35-50% of next year's operating expenditures; and

WHEREAS, the city's policy will have the fund balance at 50% of next year's operating expenditures, plus prior-year encumbrances (if any) plus compensated absences; and

WHEREAS, the city's special revenue funds will not be figured into the calculation of the overall fund balance total as these funds have special designated purposes;

WHEREAS, there exists a need for additional funding sources for certain revolving, trust and replacement funds.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RAMSEY, ANOKA COUNTY, STATE OF MINNESOTA, as follows:

1) That the Finance Director is hereby directed to implement the following Financial Policy for the Purpose of Allocation of Excess/Deficient General Fund Revenues:

   When both restricted and unrestricted resources are available for use, it is the City's policy to first use restricted resources, and then use unrestricted resources as they are needed.

   When committed, assigned, or unassigned resources are available for use, it is the City's policy to use resources in the following order; 1) committed, 2) assigned, and 3) unassigned.

   When actual revenues exceed actual expenditures in a given year, the excess shall be allocated as follows:

a) Any excess shall be first allocated to "Assigned" fund balance to bring that portion of fund balance to an amount equal to fifty percent (50%) of the next years adopted operating budget plus prior-year encumbrances (if any) plus compensated absences.

b) Any excess after complying with fund balance requirements in steps a) and b) shall be allocated to revolving, trust and replacement funds in the following manner:

Ten Percent (10%) to Fund #234 - Equipment Replacement Fund
~~Ten Percent (10%) to Fund #810 – Park Maintenance Fund~~
Ten Percent (10%) to Fund #805 – Park Trust Fund
Forty percent (40%) to Fund #412 – Public Facilities Construction Fund
Forty percent (40%) to Fund #400 - Public Improvement Revolving Fund

When actual expenditures exceed actual revenues in a given year, the deficit shall be treated as follows:

a) "Assigned" fund balance shall first be adjusted to an amount equal to fifty percent (50%) of the next years adopted operating budget plus prior year encumbrances (if any) plus compensated absences.

b) If shortage after complying with fund balance requirement in step a) and b) shall draw funds in the following manner:

Ten Percent (10%) to Fund #234 - Equipment Replacement Fund
~~Ten Percent (10%) to Fund #810 – Park Maintenance Fund~~
Ten Percent (10%) to Fund #805 – Park Trust Fund
Forty percent (40%) to Fund #412 – Public Facilities Construction Fund
Forty percent (40%) to Fund #400 - Public Improvement Revolving Fund

2) The Ramsey City Council hereby establishes this policy effective with the year ended December 31, 2015.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

and the following abstained:

and the following were absent:

whereupon said resolution was declared duly passed and adopted by the Ramsey City Council this the 12th day of May 2015.

Mayor

ATTEST:

City Clerk